

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|--------------------------------------|---|---------------|
| THE AMENDED APPLICATION OF TRIPORT |) | |
| DISPOSAL COMPANY, INC., FOR AN ORDER |) | |
| APPROVING TO TRANSFER OF ITS ASSETS, |) | CASE NO. 9532 |
| INCLUDING ALL OPERATING PERMITS, TO |) | |
| DELAPLAIN DISPOSAL COMPANY |) | |

O R D E R

IT IS ORDERED that Delaplain Disposal Company ("Delaplain") shall file an original and 10 copies of the following information with this Commission, with a copy to all parties of record. Careful attention should be given to copied material to insure that it is legible. The information requested herein is due no later than December 1, 1986. If the information cannot be provided by this date, you should submit a motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such a motion will be considered by the Commission.

1. In Delaplain's response to the Commission's Order dated October 7, 1986, Delaplain submitted a journal entry to record the acquisition of the Triport Disposal Company ("Triport") Utility Plant. Delaplain had been requested to prepare this entry in accordance with the requirements of the Uniform System of Accounts for Class C and D Sewer Utilities ("USoA"). Delaplain recorded the utility plant at its net book value as of the date of purchase, April 15, 1986. The USoA requires that the utility

plant be recorded at original cost incurred when the plant was devoted to utility service. The existing accumulated depreciation is to be carried over to the books of the purchaser. Contributions in Aid of Construction are also to be carried over and properly recorded in the purchaser's books. Please resubmit the acquisition entry, reflecting the requirements of the USOA.

2. In Delaplain's response to the October 7, 1986, Order, it indicates there are Advances from Associated Companies totaling \$227,842.

a. Identify the Associated Companies who made the advances.

b. Provide the terms or details of this financial transaction including the interest rate and the time period of the advances. Also, submit copies of the debt instrument.

3. Concerning Delaplain's Third Party Beneficiary Agreement with Central Bank and Trust Company:

a. Indicate whether Delaplain or the Associated Company made the required escrow deposit.

b. Indicate if this escrow deposit earns interest and to whom the interest is paid.

c. If Delaplain has made the escrow deposit, indicate where this deposit is recorded on its balance sheet for the period April 15, 1986, to September 30, 1986.

4. In regard to the purchase price for the utility plant purchased by Delaplain, which of the following amounts should be considered the purchase price:

a. The \$227,842 advances from associated companies.

b. The \$10 referenced in the January 29, 1986, Purchase Contract between Triport and the Webb Companies, who assigned this contract to Delaplain on April 15, 1986.

c. The \$1 referenced is the April 15, 1986, Bill of Sale between Triport and Delaplain.

Indicate which amount is appropriate, or supply an amount which is currently not part of the record. This determination is necessary in order for Delaplain to properly prepare the acquisition accounting entry.

Done at Frankfort, Kentucky, this 20th day of November, 1986.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Executive Director